

## **MEMORANDUM**

**TO:** Collin O'Mara  
Robert Zimmermann

**FROM:** Bahareh van Boekhold

**DATE:** January 9, 2013

**SUBJECT:** DNREC Energy Efficiency Potential Study Contract

The contract presented for your signature today is the outcome of the DNREC's RFP NAT12001-ENERGY\_SAV for "Professional services to provide studies of potential for energy savings in Delaware," which was posted on the state solicitation web site on October 12.

As a result of the RFP the DE&C received five proposals. These proposals were reviewed by a panel consisting of the three members from DE&C, along with representatives of DEDO and the Division of the Public Advocate. After a thorough review the proposals the review panel made the recommendation to award the contract to Optimal Energy.

The primary objectives of this contract are to address the following questions:

1. How large is the gap, in energy and dollar terms, between projected annual electric and fossil fuel consumption in Delaware and an ideal based on widespread deployment of currently available, cost-effective technology between now and 2025.
2. In what economic sectors and energy use categories is this gap widest, for which customer classes and energy sources are potential savings the greatest?
3. Where the wide gaps occur, what are the technologies and applications that account for the differences between actual and potential efficiency levels?
4. What are the principal financial, institutional and technical barriers impeding the adoption of cost-effective measures to close these gaps?
5. What programs and initiatives at the state level would most effectively address the barriers?
6. What is the achievable potential for closing the gaps assuming the state adopts these programs?

The initial Task Order has a budget of \$80,000 which covers the first phase of the study and will be funded by the bond bill entitled "Energy Efficiency," Account 2006-400101-10127. We recognize that additional phases of the study may be required and are working with the DOE to utilize the "Oil Overcharge" funds.

Attachment  
cc:  
Phil Cherry

## PROFESSIONAL SERVICES AGREEMENT

This Agreement ("Agreement") is entered into as of December 27, 2012 ("Effective Date") and will end on April 1, 2014, by and between the State of Delaware, Department of Natural Resources and Environmental Control, Division of Energy and Climate ("Delaware"), and OPTIMAL ENERGY, INC. a Vermont corporation, with offices at 14 School St., Bristol, VT 05443 ("OPTIMAL").

WHEREAS, Delaware desires to obtain certain services to provide studies of potential for energy savings in Delaware; and

WHEREAS, OPTIMAL desires to provide such services to Delaware on the terms set forth below;

WHEREAS, Delaware and OPTIMAL represent and warrant that each party has full right, power and authority to enter into and perform under this Agreement;

FOR AND IN CONSIDERATION OF the premises and mutual agreements herein, Delaware and OPTIMAL agree as follows:

### **1. Services.**

1.1 Delaware agrees to pay OPTIMAL and OPTIMAL agrees to perform certain technical or professional services.

1.2 Services shall be provided in phases as described by Task Orders approved by the Delaware and consistent with the following scope of work:

Assist the Delaware DNREC, Division of Energy & Climate with studies of potential for energy savings in Delaware. The scope of services and task orders related thereto may include, but not necessarily be limited to:

- A. Identify existing data sources for energy consumption in Delaware and applicability of efficiency measures. These will likely initially include regional and national data that can be disaggregated to the state's level
- B. Collect local energy consumption data as needed to supplement shortfalls due to time limitations in Item I (above); visit or interview representative or major Delaware energy consumers and local experts as needed
- C. Define energy-consuming sectors and estimate their rates of consumption in Delaware
- D. Define efficiency measures and technologies for each sector and characterize their cost and energy-saving performance
- E. Estimate the amount of energy each measure could save in each consuming sector over a twelve-year timeframe and rank the contributions in order of cost per saved kWh for electricity, and separately, per saved million Btu for

fossil fuels.

- F. Create a "Supply Curve" for efficiency measures in Delaware
- G. Produce potential economical energy saving estimates based on the efficiency "supply curves" corresponding to Item VI (above)
- H. Identify barriers to implementation of cost-effective measures with specific references to actual consumers and potential investors in Delaware
- I. In Consultation with DE&C Staff, identify Delaware programs and policies that now address the barriers identified in Item VII (above) and recommend others that have achieved favorable results elsewhere
- J. Estimate achievable energy savings that are likely to result from implementing the policies and programs identified in Item IX (above).
- K. Draft reports and presentations to DE&C staff and advisors
- L. Prepare and submit monthly reports to DNREC that summarize Potential Study activities and provide status updates.

1.3 Each study project will be assigned to the OPTIMAL by the Delaware with an individual Task Order. OPTIMAL shall prepare a separate scope of work, schedule and time and material budget for each project, which shall be included with this Agreement as attachments.

1.4 OPTIMAL represents that it has, or will secure at its own expense, all personnel required in performing the services under this Agreement. OPTIMAL, or persons under OPTIMAL'S supervision, shall perform all of the services required by this Agreement, and all personnel engaged in the work shall be fully qualified and shall be authorized to perform such services.

1.5 The services of OPTIMAL are to commence as soon as practicable after the execution of this Agreement and shall be undertaken in such sequence as to assure their expeditious completion in the light of the purposes of this Agreement, but in any event all of the services required by this AGREEMENT shall be completed no later than April 1, 2014 unless amended to extend this date. Time is of the essence in this Agreement.

1.6 Any conflict or inconsistency between the provisions of the following documents shall be resolved by giving precedence to such documents in the following order: (a) this Agreement (including any amendments or modifications thereto); (b) Delaware's request for proposals, attached hereto as Appendix B; and (c) OPTIMAL's response to the request for proposals (N/A). The aforementioned documents are specifically incorporated into this Agreement and made a part hereof.

1.7 OPTIMAL will not be required to make changes to its scope of work that result in OPTIMAL's costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under

Section 1 of this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

**2. Payment for Services and Expenses.**

2.1 The term of the initial contract shall be from December 27, 2012 through April 1, 2014.

2.2 It is agreed that the total cost for the services provided under this Agreement shall not exceed **\$500,000.00**.

2.3 OPTIMAL is responsible for costs incurred in excess of the total cost of this Agreement, and Delaware is not liable for such costs.

2.4 Payment shall be made upon satisfactory completion, in Delaware's sole discretion and upon submission of a time spent invoice based on the individual project Task Order and Task Order Budget submitted by the OPTIMAL and approved by Delaware. Costs of professional services under this agreement shall be billed at hourly rates specified in Appendix A. Invoices shall be made to Delaware on a monthly basis. Invoices shall be paid within 30 days after receipt by Delaware, if services are performed satisfactorily, in Delaware's sole discretion.

Delaware's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in Delaware's purchase order(s) to OPTIMAL.

2.5 OPTIMAL shall submit monthly invoices to Delaware in sufficient detail to support the services provided during the previous month. Delaware agrees to pay those invoices within thirty (30) days of receipt. In the event Delaware disputes a portion of an invoice, Delaware agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide OPTIMAL a detailed statement of Delaware's position on the disputed portion of the invoice within thirty (30) days of receipt. Delaware's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle OPTIMAL to charge interest on the overdue portion at no more than 1.0% per month or 12% per annum. All payments should be sent to OPTIMAL ENERGY INC., 14 School St., Bristol, VT.

2.6 Unless provided otherwise in an Appendix, all expenses incurred in the performance of the services are to be paid by OPTIMAL. If a Task Order specifically provides for expense reimbursement, OPTIMAL shall be reimbursed only for reasonable expenses incurred by OPTIMAL in the performance of the services, including, but not necessarily limited to, travel and lodging expenses, communications charges, and computer time and supplies.

2.7 Delaware is a sovereign entity, and shall not be liable for the payment of federal, state and local sales, use and excise taxes, including any interest and penalties from any related deficiency, which may become due and payable as a consequence of this Agreement.

2.8 Delaware shall subtract from any payment made to OPTIMAL all damages, costs and expenses caused by OPTIMAL's negligence, resulting from or arising out of errors or omissions in OPTIMAL's work products, which have not been previously paid to OPTIMAL.

2.9 Invoices shall be submitted to:  
Energy Program Contract Administrator  
DNREC Division of Energy and Climate  
1203 College Park Drive, Suite 101  
Dover, DE 19904

### **3. Responsibilities of OPTIMAL.**

3.1 OPTIMAL shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by OPTIMAL, its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, OPTIMAL shall follow practices consistent with generally accepted professional and technical standards. OPTIMAL shall be responsible for ensuring that all services, products and deliverables furnished pursuant to this Agreement comply with the standards promulgated by the Department of Technology and Information ("DTI") published at <http://dti.delaware.gov/>, and as modified from time to time by DTI during the term of this Agreement. If any service, product or deliverable furnished pursuant to this Agreement does not conform with DTI standards, OPTIMAL shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform with DTI standards. OPTIMAL shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by OPTIMAL's failure to ensure compliance with DTI standards.

3.2 It shall be the duty of the OPTIMAL to assure that all products of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. OPTIMAL will not produce a work product that violates or infringes on any copyright or patent rights. OPTIMAL shall, without additional compensation, correct or revise any errors or omissions in its work products.

3.3 Permitted or required approval by Delaware of any products or services

furnished by OPTIMAL shall not in any way relieve OPTIMAL of responsibility for the professional and technical accuracy and adequacy of its work. Delaware's review, approval, acceptance, or payment for any of OPTIMAL's services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and OPTIMAL shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by OPTIMAL's performance or failure to perform under this Agreement.

3.4 OPTIMAL shall appoint a Project Manager who will manage the performance of services. All of the services specified by this Agreement shall be performed by the Project Manager, or by OPTIMAL's associates and employees under the personal supervision of the Project Manager. The positions anticipated are listed in Appendix A.

3.5 Designation of persons for each position is subject to review and approval by Delaware. Should the staff need to be diverted off the project for what are now unforeseeable circumstances, OPTIMAL will notify Delaware immediately and work out a transition plan that is acceptable to both parties, as well as agree to an acceptable replacement plan to fill or complete the work assigned to this project staff position. Replacement staff persons are subject to review and approval by Delaware. If OPTIMAL fails to make a required replacement within 30 days, Delaware may terminate this Agreement for default. Upon receipt of written notice from Delaware that an employee of OPTIMAL is unsuitable to Delaware for good cause, OPTIMAL shall remove such employee from the performance of services and substitute in his/her place a suitable employee.

3.6 OPTIMAL shall furnish to Delaware's designated representative copies of all correspondence to regulatory agencies for review prior to mailing such correspondence.

3.7 OPTIMAL agrees that its officers and employees will cooperate with Delaware in the performance of services under this Agreement and will be available for consultation with Delaware at such reasonable times with advance notice as to not conflict with their other responsibilities.

3.8 OPTIMAL has or will retain such employees as it may need to perform the services required by this Agreement. Such employees shall not be employed by Delaware or any other political subdivision of Delaware.

3.9 OPTIMAL will not use Delaware's name, either express or implied, in any of its advertising or sales materials without Delaware's express written consent.

3.10 The rights and remedies of Delaware provided for in this Agreement are in addition to any other rights and remedies provided by law.

**4. Time Schedule.**

4.1 Project schedules shall be specified in individual Task Orders under this Agreement.

4.2 Any delays of services or changes in sequence of tasks must be approved in writing by Delaware.

4.3 In the event that OPTIMAL fails to complete the scope of services or any phase thereof within the time specified in a Task Order, or with such additional time as may be granted in writing by Delaware, or fails to prosecute the work, or any separable part thereof, with such diligence as will insure its completion within the time specified in the corresponding Task Order or any extensions thereof, Delaware shall suspend payments of compensation.

**5. State Responsibilities.**

5.1 In connection with OPTIMAL's provision of the Services, Delaware shall perform those tasks and fulfill those responsibilities specified in the appropriate Task Orders.

5.2 Delaware agrees that its officers and employees will cooperate with OPTIMAL in the performance of services under this Agreement and will be available for consultation with OPTIMAL at such reasonable times with advance notice as to not conflict with their other responsibilities.

5.3 The services performed by OPTIMAL under this Agreement shall be subject to review for compliance with the terms of this Agreement by Delaware's designated representatives. Delaware representatives may delegate any or all responsibilities under the Agreement to appropriate staff members, and shall so inform OPTIMAL by written notice before the effective date of each such delegation.

5.4 The review comments of Delaware's designated representatives may be reported in writing as needed to OPTIMAL. It is understood that Delaware's representatives' review comments do not relieve OPTIMAL from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.

5.5 Delaware shall, without charge, furnish to or make available for examination or use by OPTIMAL as it may request, any data which Delaware has available, including as examples only and not as a limitation:

- a. Copies of reports, surveys, records, and other pertinent documents;

- b. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other document, and information related to the services specified by this Agreement.

OPTIMAL shall return any original data provided by Delaware.

5.6 Delaware shall assist OPTIMAL in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

5.7 OPTIMAL will not be responsible for accuracy of information or data supplied by Delaware or other sources to the extent such information or data would be relied upon by a reasonably prudent contractor.

5.8 Delaware agrees not to use OPTIMAL's name, either express or implied, in any of its advertising or sales materials. OPTIMAL reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered.

## **6. Work Product.**

6.1 All materials, information, documents, and reports, whether finished, unfinished, or draft, developed, prepared, completed, or acquired by OPTIMAL for Delaware relating to the services to be performed hereunder shall become the property of Delaware and shall be delivered to Delaware's designated representative upon completion or termination of this Agreement, whichever comes first. OPTIMAL shall not be liable for damages, claims, and losses arising out of any reuse of any work products on any other project conducted by Delaware. Delaware shall have the right to reproduce all documentation supplied pursuant to this Agreement.

6.2 OPTIMAL retains all title and interest to the data it furnished and/or generated pursuant to this Agreement. Retention of such title and interest does not conflict with Delaware's rights to the materials, information and documents developed in performing the project. Upon final payment, Delaware shall have a perpetual, nontransferable, non-exclusive paid-up right and license to use, copy, modify and prepare derivative works of all materials in which OPTIMAL retains title, whether individually by OPTIMAL or jointly with Delaware. Any and all source code developed in connection with the services provided will be provided to Delaware, and the aforementioned right and license shall apply to source code. The parties will cooperate with each other and execute such other documents as may be reasonably deemed necessary to achieve the objectives of this Section.

6.3 In no event shall OPTIMAL be precluded from developing for itself, or for



others, materials that are competitive with the Deliverables, irrespective of their similarity to the Deliverables. In addition, OPTIMAL shall be free to use its general knowledge, skills and experience, and any ideas, concepts, know-how, and techniques within the scope of its consulting practice that are used in the course of providing the services.

6.4 Notwithstanding anything to the contrary contained herein or in any attachment hereto, any and all intellectual property or other proprietary data owned by OPTIMAL prior to the effective date of this Agreement ("Preexisting Information") shall remain the exclusive property of OPTIMAL even if such Preexisting Information is embedded or otherwise incorporated into materials or products first produced as a result of this Agreement or used to develop such materials or products. Delaware's rights under this section shall not apply to any Preexisting Information or any component thereof regardless of form or media.

**7. Confidential Information.**

To the extent permissible under 29 Del. C. § 10001, et seq., the parties to this Agreement shall preserve in strict confidence any information, reports or documents obtained, assembled or prepared in connection with the performance of this Agreement.

**8. Warranty.**

8.1 OPTIMAL warrants that its services will be performed in a good and workmanlike manner. OPTIMAL agrees to re-perform any work not in compliance with this warranty brought to its attention within a reasonable time after that work is performed.

8.2 Third-party products within the scope of this Agreement are warranted solely under the terms and conditions of the licenses or other agreements by which such products are governed. With respect to all third-party products and services purchased by OPTIMAL for Delaware in connection with the provision of the Services, OPTIMAL shall pass through or assign to Delaware the rights OPTIMAL obtains from the manufacturers and/or vendors of such products and services (including warranty and indemnification rights), all to the extent that such rights are assignable.

**9. Indemnification; Limitation of Liability.**

9.1 OPTIMAL shall indemnify and hold harmless the State, its agents and employees, from any and all liability, suits, actions or claims, together with all reasonable costs and expenses (including attorneys' fees) directly arising out of (A) the negligence or other wrongful conduct of the OPTIMAL, its agents or employees,

or (B) OPTIMAL's breach of any material provision of this Agreement not cured after due notice and opportunity to cure, provided as to (A) or (B) that (i) OPTIMAL shall have been notified promptly in writing by Delaware of any notice of such claim; and (ii) OPTIMAL shall have the sole control of the defense of any action on such claim and all negotiations for its settlement or compromise.

9.2 If Delaware promptly notifies OPTIMAL in writing of a third party claim against Delaware that any Deliverable infringes a copyright or a trade secret of any third party, OPTIMAL will defend such claim at its expense and will pay any costs or damages that may be finally awarded against Delaware. OPTIMAL will not indemnify Delaware, however, if the claim of infringement is caused by (1) Delaware's misuse or modification of the Deliverable; (2) Delaware's failure to use corrections or enhancements made available by OPTIMAL; (3) Delaware's use of the Deliverable in combination with any product or information not owned or developed by OPTIMAL; (4) Delaware's distribution, marketing or use for the benefit of third parties of the Deliverable or (5) information, direction, specification or materials provided by Client or any third party. If any Deliverable is, or in OPTIMAL's opinion is likely to be, held to be infringing, OPTIMAL shall at its expense and option either (a) procure the right for Delaware to continue using it, (b) replace it with a noninfringing equivalent, (c) modify it to make it noninfringing. The foregoing remedies constitute Delaware's sole and exclusive remedies and OPTIMAL's entire liability with respect to infringement.

9.3 Delaware agrees that OPTIMAL's total liability to Delaware for any and all damages whatsoever arising out of or in any way related to this Agreement from any cause, including but not limited to contract liability or OPTIMAL negligence, errors, omissions, strict liability, breach of contract or breach of warranty shall not, in the aggregate, exceed fees paid to OPTIMAL.

In no event shall OPTIMAL be liable for special, indirect, incidental, economic, consequential or punitive damages, including but not limited to lost revenue, lost profits, replacement goods, loss of technology rights or services, loss of data, or interruption or loss of use of software or any portion thereof regardless of the legal theory under which such damages are sought, and even if OPTIMAL has been advised of the likelihood of such damages.

## **10. Employees.**

10.1 OPTIMAL has and shall retain the right to exercise full control over the employment, direction, compensation and discharge of all persons employed by OPTIMAL in the performance of the services hereunder; provided, however, that it will, subject to scheduling and staffing considerations, attempt to honor Delaware's request for specific individuals.

10.2 Except as the other party expressly authorizes in writing in advance, neither party shall solicit, offer work to, employ, or contract with, whether as a partner, employee or independent contractor, directly or indirectly, any of the other party's Personnel during their participation in the services or during the twelve (12) months thereafter. For purposes of this Section 10.2, "Personnel" includes any individual or company a party employs as a partner, employee or independent contractor and with which a party comes into direct contact in the course of the services.

10.3 Possession of a Security Clearance, as issued by the Delaware Department of Public Safety, may be required of any employee of OPTIMAL who will be assigned to this project.

**11. Independent Contractor.**

11.1 It is understood that in the performance of the services herein provided for, OPTIMAL shall be, and is, an independent contractor, and is not an agent or employee of Delaware and shall furnish such services in its own manner and method except as required by this Agreement. OPTIMAL shall be solely responsible for, and shall indemnify, defend and save Delaware harmless from all matters relating to the payment of its employees, including compliance with social security, withholding and all other wages, salaries, benefits, taxes, exactions, and regulations of any nature whatsoever.

11.2 OPTIMAL acknowledges that OPTIMAL and any subcontractors, agents or employees employed by OPTIMAL shall not, under any circumstances, be considered employees of Delaware, and that they shall not be entitled to any of the benefits or rights afforded employees of Delaware, including, but not limited to, sick leave, vacation leave, holiday pay, Public Employees Retirement System benefits, or health, life, dental, long-term disability or workers' compensation insurance benefits. Delaware will not provide or pay for any liability or medical insurance, retirement contributions or any other benefits for or on behalf of Delaware or any of its officers, employees or other agents.

11.3 OPTIMAL shall be responsible for providing liability insurance for its personnel.

11.4 As an independent contractor, OPTIMAL has no authority to bind or commit Delaware. Nothing herein shall be deemed or construed to create a joint venture, partnership, fiduciary or agency relationship between the parties for any purpose.

**12. Suspension.**

12.1 Delaware may suspend performance by OPTIMAL under this Agreement for such period of time as Delaware, at its sole discretion, may prescribe by providing

written notice to OPTIMAL at least 30 working days prior to the date on which Delaware wishes to suspend. Upon such suspension, Delaware shall pay OPTIMAL its compensation, based on the percentage of the project completed and earned until the effective date of suspension, less all previous payments. OPTIMAL shall not perform further work under this Agreement after the effective date of suspension. OPTIMAL shall not perform further work under this Agreement after the effective date of suspension until receipt of written notice from Delaware to resume performance.

12.2 In the event Delaware suspends performance by OPTIMAL for any cause other than the error or omission of the OPTIMAL, for an aggregate period in excess of 30 days, OPTIMAL shall be entitled to an equitable adjustment of the compensation payable to OPTIMAL under this Agreement to reimburse OPTIMAL for additional costs occasioned as a result of such suspension of performance by Delaware based on appropriated funds and approval by Delaware.

### **13. Termination.**

13.1 This Agreement may be terminated in whole or in part by either party in the event of substantial failure of the other party to fulfill its obligations under this Agreement through no fault of the terminating party; but only after the other party is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with the terminating party prior to termination.

13.2 This Agreement may be terminated in whole or in part by Delaware for its convenience, but only after OPTIMAL is given:

- a. Not less than 30 calendar days written notice of intent to terminate; and
- b. An opportunity for consultation with Delaware prior to termination.

13.3 If termination for default is effected by Delaware, Delaware will pay OPTIMAL that portion of the compensation which has been earned as of the effective date of termination but:

- a. No amount shall be allowed for anticipated profit on performed or unperformed services or other work, and
- b. Any payment due to OPTIMAL at the time of termination may be adjusted to the extent of any additional costs occasioned to Delaware by reason of OPTIMAL's default.

- c. Upon termination for default, Delaware may take over the work and prosecute the same to completion by agreement with another party or otherwise. In the event OPTIMAL shall cease conducting business, Delaware shall have the right to make an unsolicited offer of employment to any employees of OPTIMAL assigned to the performance of the Agreement, notwithstanding the provisions of Section 10.2.

13.4 If after termination for failure of OPTIMAL to fulfill contractual obligations it is determined that OPTIMAL has not so failed, the termination shall be deemed to have been effected for the convenience of Delaware.

13.5 The rights and remedies of Delaware and OPTIMAL provided in this section are in addition to any other rights and remedies provided by law or under this Agreement.

13.6 Gratuities.

13.6.1 Delaware may, by written notice to OPTIMAL, terminate this Agreement if it is found after notice and hearing by Delaware that gratuities (in the form of entertainment, gifts, or otherwise) were offered or given by OPTIMAL or any agent or representative of OPTIMAL to any officer or employee of Delaware with a view toward securing a contract or securing favorable treatment with respect to the awarding or amending or making of any determinations with respect to the performance of this Agreement.

13.6.2 In the event this Agreement is terminated as provided in 13.6.1 hereof, Delaware shall be entitled to pursue the same remedies against OPTIMAL it could pursue in the event of a breach of this Agreement by OPTIMAL.

13.6.3 The rights and remedies of Delaware provided in Section 13.6 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

14. Severability.

If any term or provision of this Agreement is found by a court of competent jurisdiction to be invalid, illegal or otherwise unenforceable, the same shall not affect the other terms or provisions hereof or the whole of this Agreement, but such term or provision shall be deemed modified to the extent necessary in the court's opinion to render such term or provision enforceable, and the rights and obligations of the parties shall be construed and enforced accordingly, preserving to the fullest

permissible extent the intent and agreements of the parties herein set forth.

**15. Assignment; Subcontracts.**

15.1 Any attempt by OPTIMAL to assign or otherwise transfer any interest in this Agreement without the prior written consent of Delaware shall be void. Such consent shall not be unreasonably withheld.

15.2 Services specified by this Agreement shall not be subcontracted by OPTIMAL, without prior written approval of Delaware. . Approval is hereby granted for subcontracts with Shelter Analytics, LLC, of Huntington, VT and Energy Futures Group of Hinesburg, VT, both members of OPTIMAL ENERGY's project team.

15.3 Approval by Delaware of OPTIMAL's request to subcontract or acceptance of or payment for subcontracted work by Delaware shall not in any way relieve OPTIMAL of responsibility for the professional and technical accuracy and adequacy of the work. All subcontractors shall adhere to all applicable provisions of this Agreement.

15.4 OPTIMAL shall be and remain liable for all damages to Delaware caused by negligent performance or non-performance of work under this Agreement by OPTIMAL, its subcontractor or its sub-subcontractor.

15.5 The compensation due shall not be affected by Delaware's approval of the OPTIMAL's request to subcontract.

**16. Force Majeure.**

Neither party shall be liable for any delays or failures in performance due to circumstances beyond its reasonable control.

**17. Non-Appropriation of Funds.**

17.1 Validity and enforcement of this Agreement is subject to appropriations by the General Assembly of the specific funds necessary for contract performance. Should such funds not be so appropriated Delaware may immediately terminate this Agreement, and absent such action this Agreement shall be terminated as to any obligation of the State requiring the expenditure of money for which no specific appropriation is available, at the end of the last fiscal year for which no appropriation is available or upon the exhaustion of funds.

17.2 Notwithstanding any other provisions of this Agreement, this Agreement shall terminate and Delaware's obligations under it shall be extinguished at the end of the fiscal year in which Delaware fails to appropriate monies for the ensuing fiscal

year sufficient for the payment of all amounts which will then become due.

**18. State of Delaware Business License.**

OPTIMAL and all subcontractors represent that they are properly licensed and authorized to transact business in the State of Delaware as provided in 30 *Del. C.* § 2301.

**19. Complete Agreement.**

19.1 This agreement and its Appendices shall constitute the entire agreement between Delaware and OPTIMAL with respect to the subject matter of this Agreement and shall not be modified or changed without the express written consent of the parties. The provisions of this agreement supersede all prior oral and written quotations, communications, agreements and understandings of the parties with respect to the subject matter of this Agreement.

19.2 If the scope of any provision of this Agreement is too broad in any respect whatsoever to permit enforcement to its full extent, then such provision shall be enforced to the maximum extent permitted by law, and the parties hereto consent and agree that such scope may be judicially modified accordingly and that the whole of such provisions of the Agreement shall not thereby fail, but the scope of such provision shall be curtailed only to the extent necessary to conform to the law.

19.3 OPTIMAL may not order any product requiring a purchase order prior to Delaware's issuance of such order. Each Appendix, except as its terms otherwise expressly provide, shall be a complete statement of its subject matter and shall supplement and modify the terms and conditions of this Agreement for the purposes of that engagement only. No other agreements, representations, warranties or other matters, whether oral or written, shall be deemed to bind the parties hereto with respect to the subject matter hereof.

**20. Miscellaneous Provisions.**

20.1 In performance of this Agreement, OPTIMAL shall comply with all applicable federal, state and local laws, ordinances, codes and regulations. OPTIMAL shall solely bear the costs of permits and other relevant costs required in the performance of this Agreement.

20.2 Neither this Agreement nor any appendix may be modified or amended except by the mutual written agreement of the parties. No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party against which it is sought to be enforced.

20.3 The delay or failure by either party to exercise or enforce any of its rights under this Agreement shall not constitute or be deemed a waiver of that party's right thereafter to enforce those rights, nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right.

20.4 OPTIMAL covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement. OPTIMAL further covenants, to its knowledge and ability, that in the performance of said services no person having any such interest shall be employed.

20.5 OPTIMAL acknowledges that Delaware has an obligation to ensure that public funds are not used to subsidize private discrimination. OPTIMAL recognizes that if they refuse to hire or do business with an individual or company due to reasons of race, color, gender, ethnicity, disability, national origin, age, or any other protected status, Delaware may declare OPTIMAL in breach of the Agreement, terminate the Agreement, and designate OPTIMAL as non-responsible.

20.6 OPTIMAL warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, or a percentage, brokerage or contingent fee. For breach or violation of this warranty, Delaware shall have the right to annul this contract without liability or at its discretion deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee.

20.7 This Agreement was drafted with the joint participation of both parties and shall be construed neither against nor in favor of either, but rather in accordance with the fair meaning thereof.

20.8 OPTIMAL shall maintain all public records, as defined by 29 Del. C. § 502(7), relating to this Agreement and its deliverables for the time and in the manner specified by the Delaware Division of Archives, pursuant to the Delaware Public Records Law, 29 Del. C. Ch. 5. During the term of this Agreement, authorized representatives of Delaware may inspect or audit OPTIMAL's performance and records pertaining to this Agreement at the OPTIMAL business office during normal business hours.

## **21. Insurance.**

21.1 OPTIMAL shall maintain the following insurance during the term of this Agreement:



- A. Worker's Compensation and Employer's Liability Insurance in accordance with applicable law, and
- B. Comprehensive General Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence, and
- C. Medical/Professional Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence; or
- D. Miscellaneous Errors and Omissions - \$1,000,000.00 per person/\$3,000,000 per occurrence, or
- E. Product Liability - \$1,000,000.00 per person/\$3,000,000 per occurrence, and
- F. If required to transport state employees, Automotive Liability Insurance covering all automotive units used in the work with limits of not less than \$100,000 each person and \$300,000 each accident as to bodily injury and \$25,000 as to property damage to others.

21.2. OPTIMAL shall provide forty-five (45) days written notice of cancellation or material change of any policies.

21.3. Before any work is done pursuant to this Agreement, the Certificate of Insurance and/or copies of the insurance policies, referencing the contract number stated herein, shall be filed with the State. The certificate holder is as follows:

Optimal Energy, Inc.

21.4. In no event shall the State of Delaware be named as an additional insured on any policy required under this agreement.

## 22. Assignment of Antitrust Claims.

As consideration for the award and execution of this contract by the State, OPTIMAL hereby grants, conveys, sells, assigns, and transfers to Delaware all of its right, title and interest in and to all known or unknown causes of action it presently has or may now or hereafter acquire under the antitrust laws of the United States and the State of Delaware, relating to the particular goods or services purchased or acquired by the State pursuant to this contract.

**23. Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, except where Federal Law has precedence. OPTIMAL consents to jurisdiction venue in the State of Delaware.

**24. Notices.**

Any and all notices required by the provisions of this Agreement shall be in writing and shall be mailed, certified or registered mail, return receipt requested. All notices shall be sent to the following addresses:

TO DELAWARE:  
Energy Program Contract Administrator  
DNREC Division of Energy and Climate  
1203 College Park Drive, Suite 101  
Dover, DE 19904

TO OPTIMAL:  
Optimal Energy, Inc.  
14 School St.  
Bristol, VT 05443

**SIGNATURE PAGE TO FOLLOW**

IN WITNESS THEREOF, the Parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

STATE OF DELAWARE  
DEPARTMENT OF NATURAL RESOURCES  
AND ENVIRONMENTAL CONTROL

Witness

Date:

1/18/13

Title:

Secretary

Date:

1/18/13

OPTIMAL ENERGY, INC.

Witness

Doris Sordani

Name:

Title:

Philip Moenath, President

Date:

1/4/12

Date:

1/4/12

